

ECO - 06

**Bachelor's Degree Programme
(BDP)**

**ASSIGNMENT
2013-14**

**Elective Course in Commerce
ECO – 06: ECONOMIC THEORY**

For July 2013 and January 2014 admission cycle



**School of Management Studies
Indira Gandhi National Open University
Maidan Garhi, New Delhi -110 068**

Elective Course in Commerce
ECO – 06: Economic Theory
ASSIGNMENT- 2013-14

Dear Students,

As explained in the Programme Guide, you have to do one Tutor Marked Assignment in this Course.

Assignment is given 30% weightage in the final assessment. To be eligible to appear in the Term-end examination, it is compulsory for you to submit the assignment as per the schedule. Before attempting the assignments, you should carefully read the instructions given in the Programme Guide.

This assignment is valid for two admission cycles (**July 2013 and January 2014**). The validity is given below:

1. Those who are enrolled in **July 2013**, it is valid upto **June 2014**.
2. Those who are enrolled in **January 2014**, it is valid upto **December 2014**.

You have to submit the assignment of all the courses to **The Coordinator of your Study Centre**. For appearing in **June Term-end Examination**, you must submit assignment to the Coordinator of your study centre **latest by 15th March**. Similarly for appearing in **December Term-end Examination**, you must submit assignments to the Coordinator of your study centre **latest by 15th September**.

TUTOR MARKED ASSIGNMENT

Course Code	:	ECO - 06
Course Title	:	Economic Theory
Assignment Code	:	ECO – 06/TMA/2013-14
Coverage	:	All Blocks

Maximum Marks: 100

Attempt all the questions.

1. (a) What are the salient features of a mixed economy? How is it different from capitalism and Socialism?
(b) State the properties of indifference curves and derive them from the assumptions upon which indifference curves are drawn. (10+10)

2. (a) What are the main determinants of elasticity of supply of a commodity and, also distinguish between ‘extension in supply’ and ‘increase in supply’.
(b) How is the long run Average cost curve derived from short run Average cost curves? Use suitable diagrams. (10+10)

3. (a) Explain the nature of Average Revenue curve and Marginal Revenue Curve of firm Under Oligopoly.
(b) Why should equilibrium between marginal cost and marginal revenue be a necessary condition for equilibrium of a firm? (10+10)

4. (a) How will equilibrium be determined under discriminating monopoly with two markets? Is monopoly inefficient and wasteful?
(b) Discuss the concepts of money wage and real wage. How are competitive wages determined? (10+10)

5. Short Notes:
(a) Income Distribution
(b) Concept of consumer surplus
(c) Collective Bargaining
(d) Concept of Isoquant

(5x4)

